



# Kolegji AAB

FACULTY OF ECONOMICS

MARKETING AND BUSINESS MANAGEMENT

MASTER THESIS

## **IMPACT OF PRODUCT QUALITY IN DETERMINING THE PRICE OF THE COMPANY "EVKO"**

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## **ABSTRACT**

The impact of product quality on the determination of the price in EVKO companies and in all other companies plays an important role because quality and price are among the main elements to be successful in the market and very important elements for the consumer. This paper presents the description and marketing methods applied by this company to be closer to its customers and to understand their needs.

Quality implementation impacts on improving quality and greater customer satisfaction. Measuring consumer satisfaction is like quality outlook, there are also some benefits for the company, for example improving communication between the parties, enabling mutual agreements, evaluating progress in achieving the goal, monitoring the achievements and changes.

The primary objective in this paper is the level of production and market, the different marketing activities and the impact of product quality on price determination. How does this company get positioned in the Kosovo market, how does marketing affect sales, distribution and penetration in the market of products in this sector, and what is the difficulty for these producers to face to export their products.

Key words: Products, quality, cost, price setting.

## **CHAPTER FIVE**

### **Conclusions and recommendations**

The main purpose of this paper was the production, market, development of marketing activities and the analysis of factors affecting the setting of product prices at EVKO.

The choice of the sales price of the product is conditioned by the objectives of the enterprise. Price can be determined by cost, demand and competition. When embossed by the cost, two concepts are considered, that of the full and partial cost. Choice based on the request requires different procedures that depend on the economy, from value analysis and from psychology through the perceptions of price perceptions. When considering competition, it is best to analyze the market structure and to anticipate the competitors' feedback for any price change.

Two hypotheses have been established in this research paper which have been verified through data analysis based on customer responses from the completed questionnaire.

#### **Hypothesis I: Price and quality is the main factor in product selection.**

According to the surveyed consumers we can conclude that the price and quality are very important factors in selecting the product from the consumers. Most consumers look at the price that suits them but they are willing to pay for a higher product quality that meets their needs and requirements.

Most authors in similar studies have come to the conclusion that in general the quality of products plays an important role in setting prices, the quality of products and the placing of prices play an important role in consumer behavior and consumers are willing to pay high prices for high quality.

#### **Hypothesis II: The mixing of mix marketing elements affects the customer's choice.**

Based on data analysis we can conclude that mix marketing elements such as product, price, distribution and promotion have a major impact on consumer selection, and all of these elements in the center have the customer and fulfilling its requirements.

Most of the respondents are satisfied with the quality of EVKO products, the prices and product assortment that this company offers in the market for its customers. EVCO products can also be

found in all supermarkets, location proximity or store location for product purchase is very important for consumers. Promotion as a process of communication between the enterprise and the buyers is very much welcomed by the consumers and is of great importance to the way the company uses them to access them. The promotion role adds to the conviction of existing customers, and enhances the awareness of potential customers who are not aware of the existence of the product. EVKO's success is based on the simplified formula, the affordable price, the more contemporary system for cooperation with our customers, consumer confidence. EVKO's vision is to maintain the position of leaders in the production, processing and packaging of quality products. It aims to compete in the domestic and international markets with world-renowned brands and at the same time serve as an example for the quality of products in the market and for the dedication and fulfillment of consumer demand.

Its main objective is to promote as much local products as possible for the economic development of our country. Owners and managers of EVKO company pay special attention to the selection of personal staff, because they believe that highly skilled and motivated staff are their driving force towards the success and growth of the company.

From the conclusions of this topic, consumers are aware of the EVKO activity, receive comprehensive and accurate information on the impact of product quality on the definition of prices, and at the same time identify the marketing activity, the promotion application, the selling strategy from contemporary times, these forms that directly affect sales and a positive image for the company.

As a result of this research we can conclude and recommend all enterprises that want to be successful in the market and gain the trust of consumers of particular importance should pay the product quality that they offer in the market, the price, the distribution of the product, close to being the product desirable by the customer - location proximity, and what promotion method uses an enterprise to convince its consumers and understand their needs and requirements.